STATE RISK MANAGEMENT FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2004

	December-04					September-04				Current FYTD	Prior Year FY04	3 Years Ended 6/30/2004	5 Years Ended 6/30/2004
		Allocation		Quarter	Month		Allocation		Quarter				
	Market Value	Actual	Policy	Net ROR	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY													
Structured Growth													
Los Angeles Capital	62,312	2.7%	2.7%	10.37%	4.86%	58,442	2.6%	2.7%	-4.14%	5.80%	N/A	N/A	N/A
Total Structured Growth	**62,312**	**2.7%**	**2.7%**	**10.37%**	**4.86%**	**58,442**	**2.6%**	**2.7%**	**-4.14%**	**5.80%**	**17.58%**	**-6.28%**	**-7.85%**
Russell 1000 Growth				*9.17%*	*3.92%*				*-5.23%*	*3.47%*	*17.88%*	*-3.74%*	*-6.48%*
Structured Value													
LSV	**67,101**	**2.9%**	**2.7%**	**9.01%**	**2.72%**	**63,732**	**2.9%**	**2.7%**	**3.21%**	**12.51%**	**30.56%**	**9.33%**	**8.36%**
Russell 1000 Value				*10.38%*	*3.35%*				*1.54%*	*12.08%*	*21.13%*	*2.96%*	*1.87%*
Russell 1000 Enhanced Index													
LA Capital	**131,436**	**5.6%**	**5.4%**	**9.28%**	**3.67%**	**124,498**	**5.6%**	**5.4%**	**-1.68%**	**7.44%**	**N/A**	**N/A**	**N/A**
Russell 1000				*9.80%*	*3.62%*				*-1.81%*	*7.81%*	*N/A*	*N/A*	*N/A*
S&P 500 Enhanced Index													
Westridge	**127,718**	**5.5%**	**5.4%**	**9.47%**	**3.44%**	**120,973**	**5.4%**	**5.4%**	**-1.99%**	**7.29%**	**N/A**	**N/A**	**N/A**
S&P 500				*9.23%*	*3.40%*				*-1.87%*	*7.19%*	*N/A*	*N/A*	*N/A*
Index													
State Street	38,419			9.23%	3.42%	36,412			-1.88%	7.17%	19.01%	-0.75%	-2.28%
Total Index	**38,419**	**1.6%**	**1.8%**	**9.23%**	**3.42%**	**36,412**	**1.6%**	**1.8%**	**-1.88%**	**7.17%**	**19.01%**	**-0.75%**	**-2.28%**
S&P 500				*9.23%*	*3.40%*				*-1.87%*	*7.19%*	*19.11%*	*-0.70%*	*-2.21%*
TOTAL LARGE CAP DOMESTIC EQUITY	***426,986***	***18.3%***	***18.0%***	***9.45%***	***3.60%***	***404,057***	***18.1%***	***18.0%***	***-1.42%***	***7.90%***	***21.46%***	***0.15%***	***-1.39%***
S&P 500				*9.23%*	*3.40%*				*-1.87%*	*7.19%*	*19.11%*	*-0.70%*	*-2.21%*
SMALL CAP DOMESTIC EQUITY													
Manager-of-Managers													
SEI	***145,620***	***6.3%***	***6.0%***	***14.79%***	***3.88%***	***139,823***	***6.3%***	***6.0%***	***-3.60%***	***10.66%***	***32.99%***	**5.51%**	**N/A**
Russell 2000 + 200bp				*14.64%*	*3.13%*				*-2.36%*	*11.93%*	*35.99%*	*7.90%*	*N/A*
TOTAL SMALL CAP DOMESTIC EQUITY	***145,620***	***6.3%***	***6.0%***	***14.79%***	***3.88%***	***139,823***	***6.3%***	***6.0%***	***-3.60%***	***10.66%***	***32.99%***	**5.54%**	**7.29%**
Russell 2000				*14.09%*	*2.96%*				*-2.86%*	*10.83%*	*33.36%*	*6.24%*	*6.63%*
CONVERTIBLES													
TCW	**259,229**	**11.1%**	**11.0%**	**8.41%**	**2.91%**	**246,545**	**11.0%**	**11.0%**	**-4.35%**	**3.69%**	**17.50%**	**1.03%**	**3.90%**
First Boston Convertible Index				*5.37%*	*2.08%*				*-1.05%*	*4.26%*	*14.16%*	*4.89%*	*5.75%*
DOMESTIC FIXED INCOME													
Core Bond													
Western Asset	**489,626**	**21.0%**	**20.0%**	**1.34%**	**1.06%**	**472,630**	**21.2%**	**20.0%**	**3.52%**	**4.91%**	**2.42%**	**7.77%**	**8.10%**
Lehman Aggregate				*0.96%*	*0.92%*				*3.20%*	*4.18%*	*0.32%*	*6.35%*	*6.95%*
Index													
Bank of ND	**617,356**	**26.5%**	**30.0%**	**0.40%**	**0.67%**	**594,776**	**26.6%**	**30.0%**	**2.54%**	**2.95%**	**0.07%**	**7.10%**	**7.25%**
Lehman Intermediate Gov/Credit (1)				*0.44%*	*0.68%*				*2.71%*	*3.16%*	*-0.05%*	*6.97%*	*7.25%*
BBB Average Quality													
Wells Capital (formerly Strong)	**275,394**	**11.8%**	**10.0%**	**2.30%**	**1.68%**	**264,977**	**11.9%**	**10.0%**	**4.51%**	**6.92%**	**1.18%**	**N/A**	**N/A**
Lehman US Credit BAA				*1.69%*	*1.56%*				*4.76%*	*6.53%*	*1.96%*	*N/A*	*N/A*
TOTAL DOMESTIC FIXED INCOME	***1,382,376***	***59.4%***	***60.0%***	***1.11%***	***1.01%***	***1,332,383***	***59.6%***	***60.0%***	***3.27%***	***4.41%***	***0.79%***	***7.00%***	***7.45%***
Lehman Gov/Credit				*0.80%*	*1.06%*				*3.56%*	*4.39%*	*-0.72%*	*6.73%*	*7.10%*
CASH EQUIVALENTS													
Bank of ND	***114,402***	***4.9%***	***5.0%***	***0.53%***	***0.21%***	***110,901***	***5.0%***	***5.0%***	***0.44%***	***0.97%***	***1.20%***	***1.72%***	***3.39%***
90 Day T-Bill				*0.48%*	*0.21%*				*0.37%*	*0.85%*	*0.98%*	*1.71%*	*3.30%*
TOTAL RISK MANAGEMENT FUND	**2,328,614**	**100.0%**	**100.0%**	**3.97%**	**1.73%**	**2,233,709**	**100.0%**	**100.0%**	**0.94%**	**4.95%**	**8.09%**	**4.62%**	**3.34%**
POLICY TARGET BENCHMARK				*3.57%*	*1.67%*				*1.54%*	*5.16%*	*6.46%*	*5.10%*	*3.86%*

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.